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Highlights

Highlights of GAO-11-778, a report to congressional committees

August 2011

PUBLIC TRANSPORTATION

Requirements for Smaller Capital Projects Generally Seen as Less Burdensome

Why GAO Did This Study

The Federal Transit Administration's (FTA) Capital Investment Grant program funds, among other things, projects for fixed-guideway systems—often called New Starts projects. In 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act-A Legacy for Users (SAFETEA-LU) established a category of lower-cost projects—Small Starts—which expands project eligibility and offers streamlined requirements. FTA subsequently created the Very Small Starts category with a further streamlined process for very low-cost projects. Exempt projects, those receiving under $25 million and typically designated by Congress, also have a simplified process.

As part of GAO's annual mandate to review New Starts, this report describes (1) the history of Small Starts and Very Small Starts and the type of projects FTA recommended for funding; (2) the project development requirements for Small Starts and Very Small Starts and what stakeholders identify as the advantages and disadvantages of the requirements; and (3) the project development requirements for exempt projects, the projects selected to receive funding, and what stakeholders identify as the advantages and disadvantages of this category. Among other things, GAO analyzed laws, regulations, and agency guidance, and interviewed FTA headquarters staff and stakeholders from 7 FTA regional offices, 15 projects, and 2 industry groups. DOT officials reviewed a draft of this report and provided technical comments, which GAO incorporated as appropriate.

View GAO-11-778 or key components.
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What GAO Found

When SAFETEA-LU established the Small Starts program, it streamlined project development requirements and project evaluation and rating criteria, and authorized certain corridor-based bus projects—like bus rapid transit systems—to receive transit capital funding. Furthermore, FTA created Very Small Starts within Small Starts to further streamline requirements for projects that are simple and low-risk, based on cost and other features. FTA has mostly recommended bus projects for funding but has also recommended light rail, commuter rail, and streetcar projects. Overall, FTA has recommended 10 Small Starts and 19 Very Small Starts projects for funding. These projects' total costs vary from about $5 million to about $232 million, and FTA has recommended capital investment program funds ranging from nearly $3 million to $75 million for these projects.

FTA's project development requirements for Small Starts and Very Small Starts include costs and financial summaries. While all sponsors submit similar information in some respects, such as financial summaries, FTA only requires sponsors of Small Starts projects to submit information on a project's expected benefits, like travel forecasts. Some stakeholders GAO spoke with said an advantage of FTA's requirements for Very Small Starts is that they are appropriately scaled and not overly burdensome for smaller projects. For example, about half of the stakeholders experienced with Very Small Starts told GAO that the requirements were straightforward and that project sponsors were able to meet them quickly without many problems. Four project sponsors and an industry group said that a disadvantage of the Small Starts requirements is that they are too similar to those for New Starts, even though Small Starts projects have a lower total cost and are less complex. Generally, stakeholders said that the requirements for both Small Starts and Very Small Starts help project sponsors fully develop and plan projects by helping identify potential problems. Stakeholders' perspectives depend, in part, on their degree of experience with these programs, which ranged from none to several previous New Starts or Small Starts projects.

Exempt projects, typically congressionally designated and below the $25 million threshold, are not evaluated and rated. Exempt projects are subject to fewer FTA requirements that mainly focus on the sponsor's ability to carry out its project. Nine exempt projects have entered the New Starts pipeline since the last reauthorization of the New Starts program in 2005. These projects vary in terms of mode and scope. For example, one project extends a bus transitway with dedicated vehicle lanes; and another project builds a new station on an existing rail line. The total costs for these projects vary from about $10 million to about $493 million, and the federal contributions range from about $1 million to nearly $25 million in capital investment program funds. Four project sponsors GAO spoke with said that the exempt category provides a useful source of capital funding for atypical transit projects that solve local transportation problems. In its 2012 budget request, FTA proposes to continue the exempt category, which is set to expire under current law, in the next surface transportation reauthorization.